

1 A bill to be entitled
2 An act relating to slot machine gaming, as authorized by
3 Section 23 of Article X of the State Constitution;
4 amending s. 551.102, F.S.; defining the term
5 "nonredeemable credits"; redefining the term "slot machine
6 revenues"; amending s. 551.103, F.S.; deleting a
7 requirement that the Division of Pari-mutuel Wagering
8 annually adjust the amount of the bond supplied by a slot
9 machine licensee; establishing the annual amount of bond
10 required; providing for procedures for drug testing;
11 amending s. 551.104, F.S.; providing for implementation of
12 a drug-testing program; amending s. 551.1045, F.S.;
13 providing procedures for temporary occupational licenses;
14 deleting provisions for temporary licensees to be adopted
15 within 180 days; amending s. 551.106, F.S.; establishing
16 when payment of the annual slot machine license fee must
17 be made by a licensee; amending s. 551.107, F.S.;
18 authorizing the division to adopt rules to create a single
19 occupational license; providing for validity; providing
20 for additional disciplinary actions and civil fines;
21 amending s. 551.109, F.S.; exempting slot machine
22 manufacturers and distributors, certain educational
23 facilities, the division, and the Department of Law
24 Enforcement from certain prohibitions against possessing
25 slot machines at a place other than the licensee's
26 facility under certain circumstances; authorizing agency
27 rulemaking; amending s. 551.114, F.S.; increasing the
28 number of slot machines a licensee may make available for

CS/HB 1047

2007

29 | play; amending s. 551.116, F.S.; increasing the hours that
 30 | slot machine gaming areas may be open; amending s.
 31 | 551.121, F.S.; authorizing automatic teller machines in
 32 | certain areas of a pari-mutuel facility; authorizing check
 33 | cashing for employees within the facility; authorizing the
 34 | linking of machines within the slot machine facility for
 35 | the purpose of progressive games; amending s. 849.15,
 36 | F.S.; clarifying the authority to legally ship slot
 37 | machines into the state under certain circumstances;
 38 | providing an appropriation; providing an effective date.
 39 |

40 | Be It Enacted by the Legislature of the State of Florida:
 41 |

42 | Section 1. Present subsections (6) through (12) of section
 43 | 551.102, Florida Statutes, are redesignated as subsections (7)
 44 | through (13), respectively, a new subsection (6) is added to
 45 | that section, and present subsection (12) of that section is
 46 | amended, to read:

47 | 551.102 Definitions.--As used in this chapter, the term:

48 | (6) "Nonredeemable credits" means slot machine operating
 49 | credits that cannot be redeemed for cash or any other thing of
 50 | value by a slot machine, kiosk, or the slot machine licensee and
 51 | that are provided free of charge to patrons. Such credits do not
 52 | constitute "nonredeemable credits" until such time as they are
 53 | metered as credit into a slot machine and recorded in the
 54 | facility-based monitoring system.

55 | (13)~~(12)~~ "Slot machine revenues" means the total of all
 56 | cash and property, except nonredeemable credits, received by the

57 slot machine licensee from the operation of slot machines less
 58 the amount of cash, cash equivalents, credits, and prizes paid
 59 to winners of slot machine gaming.

60 Section 2. Paragraph (f) of subsection (1) of section
 61 551.103, Florida Statutes, is amended, and paragraph (j) is
 62 added to that subsection, to read:

63 551.103 Powers and duties of the division and law
 64 enforcement.--

65 (1) The division shall adopt, pursuant to the provisions
 66 of ss. 120.536(1) and 120.54, all rules necessary to implement,
 67 administer, and regulate slot machine gaming as authorized in
 68 this chapter. Such rules must include:

69 (f) Procedures for requiring each licensee at his or her
 70 own cost and expense to supply the division with a bond having
 71 the penal sum of \$2 million payable to the Governor and his or
 72 her successors in office for each year of the licensee's ~~first~~
 73 ~~year of~~ slot machine operations. ~~Annually thereafter, the~~
 74 ~~licensee shall file a bond having a penal sum that is determined~~
 75 ~~each year by the division pursuant to rules adopted by the~~
 76 ~~division and that approximates the anticipated state revenues~~
 77 ~~from the licensee's slot machine operation; however, the bond~~
 78 ~~may not in any case be less than \$2 million.~~ Any bond shall be
 79 issued by a surety or sureties approved by the division and the
 80 Chief Financial Officer, conditioned to faithfully make the
 81 payments to the Chief Financial Officer in his or her capacity
 82 as treasurer of the division. The licensee shall be required to
 83 keep its books and records and make reports as provided in this
 84 chapter and to conduct its slot machine operations in conformity

85 with this chapter and all other provisions of law. Such bond
 86 shall be separate and distinct from the bond required in s.
 87 550.125.

88 (j) Procedures for requiring slot machine licensees to
 89 implement and establish drug-testing programs for all slot
 90 machine occupational licensees.

91 Section 3. Paragraph (i) of subsection (4) of section
 92 551.104, Florida Statutes, is amended to read:

93 551.104 License to conduct slot machine gaming.--

94 (4) As a condition of licensure and to maintain continued
 95 authority for the conduct of slot machine gaming, the slot
 96 machine licensee shall:

97 (i) Create and file with the division a written policy
 98 for:

99 1. Creating opportunities to purchase from vendors in this
 100 state, including minority vendors.

101 2. Creating opportunities for employment of residents of
 102 this state, including minority residents.

103 3. Ensuring opportunities for construction services from
 104 minority contractors.

105 4. Ensuring that opportunities for employment are offered
 106 on an equal, nondiscriminatory basis.

107 5. Training for employees on responsible gaming and
 108 working with a compulsive or addictive gambling prevention
 109 program to further its purposes as provided for in s. 551.118.

110 6. The implementation of a drug-testing program that
 111 includes, but is not limited to, requiring each employee to sign
 112 an agreement that he or she understands that the slot machine

113 facility is a drug-free workplace.

114

115 The slot machine licensee shall use the Internet-based job-
 116 listing system of the Agency for Workforce Innovation in
 117 advertising employment opportunities. Beginning in June 2007,
 118 each slot machine licensee shall provide an annual report to the
 119 division containing information indicating compliance with this
 120 paragraph in regard to minority persons.

121 Section 4. Section 551.1045, Florida Statutes, is amended
 122 to read:

123 551.1045 Temporary licenses.--

124 (1) Notwithstanding any provision of s. 120.60 to the
 125 contrary, the division may issue a temporary occupational
 126 license upon the receipt of a complete application from the
 127 applicant and a determination that the applicant has not been
 128 convicted of or had adjudication withheld on any disqualifying
 129 criminal offense. The temporary occupational license remains
 130 valid until such time as the division grants an occupational
 131 license or notifies the applicant of its intended decision to
 132 deny the applicant a license pursuant to the provisions of s.
 133 120.60. The division shall adopt rules to administer this
 134 subsection. However, not more than one temporary license may be
 135 issued for any person in any year.

136 ~~(1)(a) After 180 days following the effective date of this~~
 137 ~~act, if the division has not adopted rules to implement the~~
 138 ~~provisions of this chapter that allow for the issuance of slot~~
 139 ~~machine licenses within such 180 days, the division shall issue~~
 140 ~~a temporary slot machine license to an applicant if the~~

141 ~~applicant holds a valid pari mutuel permit in good standing~~
142 ~~under chapter 550, the applicant's ownership interests have been~~
143 ~~previously approved as provided in chapter 550, and the~~
144 ~~applicant has conducted live racing or games during the calendar~~
145 ~~years 2002 and 2003 and has paid the license fee provided in s.~~
146 ~~551.106(1). The slot machine license will permit the licensee to~~
147 ~~conduct slot machine gaming in the designated slot machine~~
148 ~~gaming areas of the eligible facility.~~

149 ~~(b) The temporary license is valid until the division has~~
150 ~~adopted rules implementing the provisions of this chapter and~~
151 ~~taken final action on the filed application under its final~~
152 ~~adopted rules. Once the division has adopted rules implementing~~
153 ~~the provisions of this chapter, it shall complete review of any~~
154 ~~filed application and shall issue a license under s. 551.104 if~~
155 ~~the licensee meets the requirements of this chapter and rules~~
156 ~~adopted by the division.~~

157 ~~(2)(a) A manufacturer or distributor of slot machines who~~
158 ~~has applied for a license under s. 551.107 shall be issued a~~
159 ~~temporary business occupational license if it holds a valid~~
160 ~~license to manufacture or distribute slot machines in a state~~
161 ~~where gaming is lawful.~~

162 ~~(b) The temporary license is valid until the division has~~
163 ~~adopted rules implementing the provisions of this chapter and~~
164 ~~taken final action on the filed application under its final~~
165 ~~adopted rules. Once the division has adopted rules implementing~~
166 ~~the provisions of this chapter, it shall complete review of any~~
167 ~~filed application and shall issue a license under s. 551.107 if~~
168 ~~the licensee meets the requirements of this chapter and rules~~

169 ~~adopted by the division.~~

170 ~~(2)(3) A temporary license issued under this section is~~
 171 ~~nontransferable. Any temporary license issued under this section~~
 172 ~~shall be valid during the pendency of any challenge to the~~
 173 ~~rules.~~

174 Section 5. Paragraph (a) of subsection (1) of section
 175 551.106, Florida Statutes, is amended to read:

176 551.106 License fee; tax rate; penalties.--

177 (1) LICENSE FEE.--

178 (a) Upon submission of the initial application for a slot
 179 machine license and annually thereafter, on the anniversary date
 180 of the issuance of the initial license ~~upon submission of an~~
 181 ~~application for renewal of the slot machine license~~, the
 182 licensee must pay to the division a nonrefundable license fee of
 183 \$3 million for the succeeding 12 months of licensure. The
 184 license fee shall be deposited into the Pari-mutuel Wagering
 185 Trust Fund of the Department of Business and Professional
 186 Regulation to be used by the division and the Department of Law
 187 Enforcement for investigations, regulation of slot machine
 188 gaming, and enforcement of slot machine gaming provisions under
 189 this chapter. These payments shall be accounted for separately
 190 from taxes or fees paid pursuant to the provisions of chapter
 191 550.

192 Section 6. Subsection (2) and paragraph (b) of subsection
 193 (4) of section 551.107, Florida Statutes, are amended, and
 194 subsections (9), (10), and (11) are added to that section, to
 195 read:

196 551.107 Slot machine occupational license; findings;

197 application; fee.--

198 (2)(a) The following slot machine occupational licenses
 199 shall be issued to persons or entities that, by virtue of the
 200 positions they hold, might be granted access to slot machine
 201 gaming areas or to any other person or entity in one of the
 202 following categories:

203 1. General occupational licenses for general employees,
 204 including food service, maintenance, and other similar service
 205 and support employees having access to the slot machine gaming
 206 area.

207 2. Professional occupational licenses for any person,
 208 proprietorship, partnership, corporation, or other entity that
 209 is authorized by a slot machine licensee to manage, oversee, or
 210 otherwise control daily operations as a slot machine manager, a
 211 floor supervisor, security personnel, or any other similar
 212 position of oversight of gaming operations, or any person who is
 213 not an employee of the slot machine licensee and who provides
 214 maintenance, repair, or upgrades or otherwise services a slot
 215 machine or other slot machine equipment.

216 3. Business occupational licenses for any slot machine
 217 management company or company associated with slot machine
 218 gaming, any person who manufactures, distributes, or sells slot
 219 machines, slot machine paraphernalia, or other associated
 220 equipment to slot machine licensees, or any company that sells
 221 or provides goods or services associated with slot machine
 222 gaming to slot machine licensees, ~~or any person not an employee~~
 223 ~~of the slot machine licensee who provides maintenance, repair,~~
 224 ~~or upgrades or otherwise services a slot machine or other slot~~

225 ~~machine equipment.~~

226 (b) The division may issue one license to combine licenses
 227 under this section with pari-mutuel occupational licenses and
 228 cardroom licenses pursuant to s. 550.105(2)(b). The division
 229 shall adopt rules pertaining to occupational licenses under this
 230 subsection. Such rules may specify, but need not be limited to,
 231 requirements and restrictions for licensed occupations and
 232 categories, procedures to apply for any license or combination
 233 of licenses, disqualifying criminal offenses for a licensed
 234 occupation or categories of occupations, and which types of
 235 occupational licenses may be combined into a single license
 236 under this section. The fingerprinting requirements of
 237 subsection (7) apply to any combination license that includes
 238 slot machine license privileges under this section. The division
 239 may not adopt a rule allowing the issuance of an occupational
 240 license to any person who does not meet the minimum background
 241 qualifications under this section.

242 ~~(b) Notwithstanding any provision of law to the contrary,~~
 243 ~~a pari-mutuel occupational licensee holding a currently valid~~
 244 ~~pari-mutuel occupational license is eligible to act as a slot~~
 245 ~~machine occupational licensee upon the effective date of this~~
 246 ~~act until such time as rules have been adopted and such pari-~~
 247 ~~mutuel occupational licensee has been provided a reasonable~~
 248 ~~opportunity to comply with the rules.~~

249 (c) Slot machine occupational licenses are not
 250 transferable.

251 (4)

252 (b) A slot machine license or combination license is valid

253 for the same term as a pari-mutuel occupational license issued
 254 pursuant to s. 550.105(1). ~~The division shall establish, by~~
 255 ~~rule, a schedule for the annual renewal of slot machine~~
 256 ~~occupational licenses.~~

257 (9) The division may deny, revoke, or suspend any
 258 occupational license if the applicant or holder of the license
 259 accumulates unpaid obligations, defaults in obligations, or
 260 issues drafts or checks that are dishonored or for which payment
 261 is refused without reasonable cause.

262 (10) The division may fine or suspend, revoke, or place
 263 conditions upon the license of any licensee who provides false
 264 information under oath regarding an application for a license or
 265 an investigation by the division.

266 (11) The division may impose a civil fine of up to \$5,000
 267 for each violation of this chapter or the rules of the division
 268 in addition to or in lieu of any other penalty provided for in
 269 this section. The division may adopt a penalty schedule for
 270 violations of this chapter or any rule adopted pursuant to this
 271 chapter for which it would impose a fine in lieu of a suspension
 272 and adopt rules allowing for the issuance of citations,
 273 including procedures to address such citations, to persons who
 274 violate such rules. In addition to any other penalty provided by
 275 law, the division may exclude from all licensed slot machine
 276 facilities in this state, for a period not to exceed the period
 277 of suspension, revocation, or ineligibility, any person whose
 278 occupational license application has been declared ineligible to
 279 hold an occupational license or whose occupational license has
 280 been suspended or revoked by the division.

281 Section 7. Subsection (2) of section 551.109, Florida
 282 Statutes, is amended to read:

283 551.109 Prohibited acts; penalties.--

284 (2) Except as otherwise provided by law and in addition to
 285 any other penalty, any person who possesses a slot machine
 286 without the license required by this chapter or who possesses a
 287 slot machine at any location other than at the slot machine
 288 licensee's facility is subject to an administrative fine or
 289 civil penalty of up to \$10,000 per machine. The prohibition in
 290 this subsection does not apply to:

291 (a) Slot machine manufacturers or slot machine
 292 distributors that hold appropriate licenses issued by the
 293 division who are authorized to maintain a slot machine storage
 294 and maintenance facility at any location in a county in which
 295 slot machine gaming is authorized by this chapter. The division
 296 may adopt rules regarding security and access to the storage
 297 facility and inspections by the division.

298 (b) Certified educational facilities that are authorized
 299 to maintain slot machines for the sole purpose of education and
 300 licensure, if any, of slot machine technicians, inspectors, or
 301 investigators. The division and the Department of Law
 302 Enforcement may possess slot machines for training and testing
 303 purposes. The division may adopt rules regarding the regulation
 304 of any such slot machines used for educational, training, or
 305 testing purposes.

306 Section 8. Subsection (1) of section 551.114, Florida
 307 Statutes, is amended to read:

308 551.114 Slot machine gaming areas.--

309 (1) A slot machine licensee may make available for play up
 310 to 2,000 ~~1,500~~ slot machines within the property of the
 311 facilities of the slot machine licensee.

312 Section 9. Section 551.116, Florida Statutes, is amended
 313 to read:

314 551.116 Days and hours of operation.--Slot machine gaming
 315 areas may be open daily throughout the year. The slot machine
 316 gaming areas may be open a cumulative amount of 18 hours per day
 317 on Monday through Friday and 24 for a maximum of 16 hours per
 318 day on Saturday and Sunday and on those holidays specified in s.
 319 110.117(1).

320 Section 10. Section 551.121, Florida Statutes, is amended
 321 to read:

322 551.121 Prohibited activities and devices; exceptions.--

323 (1) Complimentary or reduced-cost alcoholic beverages may
 324 not be served to persons playing a slot machine. Alcoholic
 325 beverages served to persons playing a slot machine shall cost at
 326 least the same amount as alcoholic beverages served to the
 327 general public at a bar within the facility.

328 (2) A slot machine licensee may not make any loan, provide
 329 credit, or advance cash in order to enable a person to play a
 330 slot machine. This subsection shall not prohibit automated
 331 ticket redemption machines that dispense cash resulting from the
 332 redemption of tickets from being located in the designated slot
 333 machine gaming area of the slot machine licensee.

334 (3) A slot machine licensee may not allow any automated
 335 teller machine or similar device designed to provide credit or
 336 dispense cash to be located within the designated slot machine

337 gaming areas of a facility of a ~~facilities of the~~ slot machine
338 licensee.

339 (4) A slot machine licensee may not accept or cash any
340 personal, third-party, corporate, business, or government-issued
341 check from any person other than from a person who is employed
342 within the property of the facility.

343 (5) A slot machine, or the computer operating system
344 linking the slot machine, may ~~not~~ be linked by any means to any
345 other slot machine or computer operating system within the
346 facility of a another slot machine licensee. A progressive
347 system may not be used in conjunction with slot machines ~~within~~
348 ~~or~~ between licensed facilities.

349 (6) A slot machine located within a licensed facility
350 shall accept only tickets or paper currency or an electronic
351 payment system for wagering and return or deliver payouts to the
352 player in the form of tickets that may be exchanged for cash,
353 merchandise, or other items of value. The use of coins, credit
354 or debit cards, tokens, or similar objects is specifically
355 prohibited. However, an electronic credit system may be used for
356 receiving wagers and making payouts.

357 Section 11. Subsection (2) of section 849.15, Florida
358 Statutes, is amended to read:

359 849.15 Manufacture, sale, possession, etc., of coin-
360 operated devices prohibited.--

361 (2) Pursuant to section 2 of that chapter of the Congress
362 of the United States entitled "An act to prohibit transportation
363 of gaming devices in interstate and foreign commerce," approved
364 January 2, 1951, being ch. 1194, 64 Stat. 1134, and also

365 designated as 15 U.S.C. ss. 1171-1177, the State of Florida,
 366 acting by and through the duly elected and qualified members of
 367 its Legislature, does hereby in this section, and in accordance
 368 with and in compliance with the provisions of section 2 of such
 369 chapter of Congress, declare and proclaim that any county of the
 370 State of Florida within which slot machine gaming is authorized
 371 pursuant to chapter 551 is exempt from the provisions of section
 372 2 of that chapter of the Congress of the United States entitled
 373 "An act to prohibit transportation of gaming devices in
 374 interstate and foreign commerce," designated as 15 U.S.C. ss.
 375 1171-1177, approved January 2, 1951. All shipments of gaming
 376 devices, including slot machines, into any county of this state
 377 within which slot machine gaming is authorized pursuant to
 378 chapter 551 and the registering, recording, and labeling of
 379 which have been duly performed by the manufacturer or
 380 distributor thereof in accordance with sections 3 and 4 of that
 381 chapter of the Congress of the United States entitled "An act to
 382 prohibit transportation of gaming devices in interstate and
 383 foreign commerce," approved January 2, 1951, being ch. 1194, 64
 384 Stat. 1134, and also designated as 15 U.S.C. ss. 1171-1177,
 385 shall be deemed legal shipments thereof into this state ~~any such~~
 386 ~~county~~ provided the destination of such shipments is an eligible
 387 facility as defined in s. 551.102 or the facility of a slot
 388 machine manufacturer or slot machine distributor as provided in
 389 s. 551.109(2)(a).

390 Section 12. For fiscal year 2007-2008, three full-time
 391 equivalent positions and 125,907 in associated salary rate are
 392 authorized, and the sums of \$197,369 in recurring funds and

CS/HB 1047

2007

393 \$44,178 in nonrecurring funds from the Pari-mutuel Wagering
394 Trust Fund of the Department of Business and Professional
395 Regulation are appropriated to the Office of the State Attorney,
396 17th Judicial Circuit, for the purpose of investigating and
397 prosecuting offenses associated with gaming operations.

398 Section 13. This act shall take effect upon becoming a
399 law.